

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2274 - HB 2408

January 23, 2012

SUMMARY OF BILL: Extends initial issuance period for the American Red Cross new specialty earmarked license plates to July 1, 2013.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$4,200/General Fund/One-Time/FY12-13

\$15,400/American Red Cross/FY12-13

\$12,300/Tennessee Arts Commission/FY12-13

\$3,100/Highway Fund/FY12-13

\$17,500/American Red Cross/FY13-14 and Subsequent Years

\$14,000/Tennessee Arts Commission/FY13-14 and Subsequent Years

\$3,500/Highway Fund/FY13-14 and Subsequent Years

Increase State Expenditures - \$4,200/One-Time/FY12-13

Assumptions:

- Revenue (1,000 plates @ \$35.00 each).
- According to the Department of Revenue, the cost of production has increased from \$3.76 per plate to \$4.25 per plate.
- Expenditures (Production cost: 1,000 plates @ \$4.25 each = \$4,250 one-time).
- Pursuant to Tenn. Code Ann. § 55-4-201(h)(1), new specialty earmarked license plates will be subject to a minimum order of at least 1,000 plates prior to initial issuance. Any plate that does not meet the minimum order requirement within one year after passage of the act authorizing the plate will become invalid.
- The requisite number of plates will not be sold by the July 1, 2012, deadline.

- Net proceeds from the sale of such plates will be allocated as follows: 50 percent to the Tennessee chapters of the American Red Cross; 40 percent to the Tennessee Arts Commission; and 10 percent to the State Highway Fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rct